



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

DISTRIBUTION STATEMENT A

Approved for public release;
Distribution Unlimited

Near East & South Asia

EGYPT

19980129 115

DTIC QUALITY INSPECTED C

DISTRIBUTION STATEMENT A

Approved for public release;
Distribution Unlimited

Near East & South Asia

EGYPT

JPRS-NEA-93-032

CONTENTS

9 March 1993

POLITICAL

International Affairs

Commentary Claims U.S. Supports Serbia [AL-JUMHURIYAH 25 Dec]	1
Bosnian Crisis Viewed as 'Modern Crusade' [AL-NUR 14 Dec]	2
Argentine Ambassador Discusses Nuclear Cooperation [ROSE AL-YUSUF 14 Dec]	3
Academics, Negotiators Discuss Peace Talks [AL-JUMHURIYAH 10 Dec]	3

Internal Affairs

Articles Assess Internal Security	5
Interior Minister Interviewed [London AL-SHARQ AL-AWSAT 17 Jan]	5
Extremists Begin 'Leaflet War' [London AL-SHARQ AL-AWSAT 4 Jan]	7
Instructions Received by Video [London AL-SHARQ AL-AWSAT 21 Dec]	7
Organized Violence Denied by 'Jihad' [London AL-SHARQ AL-AWSAT 29 Dec]	7
Causes Behind 1992 Calamities Explained [London AL-MAJALLAH 23 Dec]	7
Commentary Criticizes Life-Term Presidency [AL-SHA'B 12 Jan]	9
Corruption Viewed as Cause of Most Tragedies [AL-WAFD 10 Dec]	9

ECONOMIC

Economic Cooperation With EC Pursued [AL-WAFD 6 Dec]	11
Banking System Reported Showing Profit [AKHIR SA'AH 30 Dec]	11
Officials: Door Closing on Egyptian Exports [AL-WAFD 7 Dec]	12
Metal Industry Developments Cited [AL-JUMHURIYAH 16 Dec]	13

International Affairs

Commentary Claims U.S. Supports Serbia

93AF0352A Cairo AL-JUMHURIYAH in Arabic
25 Dec 92 p 5

[Commentary by Lutfi Nasif: "The American Plan: 'Desert Storm' and 'Restore Hope']

[Text] The United States' sudden decision to intervene militarily to save Somali victims, in what was called Operation Restore Hope, took many people around the world by surprise.

The reason for their surprise was that the United States had previously announced its refusal to intervene militarily in Yugoslavia to save the Muslims facing mass murder in Bosnia at the hands of Serbian soldiers. In that case the United States said: "We will not send one American soldier outside American territory."

The United States was not content with its announcement on nonmilitary intervention in Bosnia. It joined Britain to prevent the UN Security Council from adopting any resolution in this regard, and, furthermore, mandated the imposition of an arms embargo on Muslims in Bosnia, while, at the same time, arms of every kind were pouring in to Serbian forces.

In spite of the American stand on Bosnia, the United States moved quickly and suddenly for military intervention in Somalia, and the Security Council, which has become an American plaything during Butrus-Ghali's tenure, hastened to adopt a resolution to grant legitimacy to the American-Western intervention in Somalia.

Of course, no one can oppose intervention to achieve humanitarian goals, as is the announced goal of Operation Restore Hope. The Muslim Somali people are suffering from starvation and chaos imposed by armed gangs that are struggling for power, which paved the way for U.S. intervention, exactly as Saddam Husayn, when he invaded Kuwait, paved the way for U.S. intervention in the Gulf and their remaining there.

The American propaganda that is centered on Operation Restore Hope, which Western journalists themselves describe as a "revue" war or television war, will never be able to deceive us or convince us of the humanitarian aspect behind which they are trying to hide their true intentions.

If the Americans are acting on the pretext of their humanitarianism, then where is that humanitarianism in the case of the Muslims in Bosnia, whose men are being killed and whose women are being systematically raped in camps exclusively for that purpose, as the United States and its allies know because the European and American press were the first to reveal the truth about these atrocities, which are seen as a blemish on the humanity of the 20th century.

The United States and the all of the Western countries revealed their ugly face in Bosnia when they stood with the Serbians to encourage them to wipe out the Muslims

there. So how can we believe their humanitarian pretexts about the Muslims of Somalia? Logic states that the Muslims of Europe have priority, if what they say is true.

But the fact that we must point out is that there is no place for humanitarian sentiments in politics.

The deployment of American and allied forces in Somalia is the completion of a circle of control around the petroleum of the Gulf. They have achieved control over all the Gulf states by imposing their presence after the liberation of Kuwait. Inevitably, they had to insure that American-Western presence by controlling the Bab al-Mandib [Strait] at the entrance to the Red Sea with their presence in Somalia. The scenario was prepared precisely and implemented in phases: Saddam initiated the first phase, and it was completed by the men of the Somali gangs, put into motion by U.S. intelligence and supplied with arms and money throughout the past, so that they could pave the way for going into Somalia, as Saddam had done in Kuwait.

Operation Restore Hope is the fulfillment of Operation Desert Storm, and the hope generated is of restoring European control of Africa through military colonialism, which some view as having taken on a new form since the 1960's, when African countries won their independence. Economic colonialism, or what is called the new colonialism, took the place of the old colonialism, which had relied on armies and fleets. But with the rise of the new world order, the armies and fleets are back, although instead of the old British leadership, the leadership has fallen to the United States.

The United States and the Western countries have taken their revenge on the Gulf states, which dared, in 1973, to stand by Egypt and Syria, using the "oil weapon" successfully in the battle against Israel and its allies. The stands of the Saudi and other Gulf leaders at that time were the pinnacle of patriotism and courage, causing the United States to harbor a wide-ranging vendetta against them, which was carried out with Saddam Husayn's invasion of Kuwait and the financial hardship that the invasion caused for all of the Gulf states.

The American ambassador in Kuwait revealed the truth about American-Western intentions in Operation Desert Storm when he criticized, in statements to the press, the armament policy of Kuwait, describing it as slow and advising the Kuwaiti Government to inventory its assets and sell its investments to buy arms if the money in its treasury was insufficient.

The American ambassador revealed his country's intention of devouring and depopulating the Gulf states by selling them certain types of weapons. The United States knows that they will not be used in those countries at all. After the U.S. ambassador's remarks, some Kuwaiti newspapers wondered: "If we have to buy all kinds of weapons, then what good is the security agreement we signed with the United States and other Western countries?"

The editor in chief of the Kuwaiti newspaper RA'I AL-'AM [Public Opinion] commented on the U.S. ambassador's remarks in an editorial, saying, "The American ambassador wants us to sell off our assets, or pawn them, to turn us into a debt-burdened country and to buy U.S. weapons to pile them up until the time comes to trade them in for newer ones." 'Abd-al-'Aziz al-Musa'id's piece continues, stating: "Mr. Ambassador, you have overstepped your boundaries. Your comments have aroused the disgust of Kuwaiti citizens, who see in this interference a sign of your determination to exchange the rank of ambassador" with that of a divine messenger, considering that your country has taken upon itself the affairs of the world and appointed itself the guardian of security and the restorer of lost rights!"

We can only say that what is happening around us today is dangerous. Are we able to understand what we must do to prepare to confront it?

Bosnian Crisis Viewed as 'Modern Crusade'

93AF0349A Cairo AL-NUR in Arabic 14 Dec 92 p 9

[Article by Muhammad Munib from al-Qubbah Boys Secondary School: "Modern Crusaderism"]

[Text] The Islamic nation's losses in lives as a result of the Egyptian earthquake are not the equivalent of its losses in a single day of the modern crusade that the peaceful Muslim people of Bosnia are brutally subjected. The same can be said about the losses in the installations and territories.

The word "crusade": We, the Muslims, treat adherents of the Book, both Jews and Christians, on the basis of God's commands and proscriptions, which say: "God forbids you not, with regard to those who fight you not for your faith nor drive you out of your homes, from dealing kindly and justly with them: For God loveth those who are just. God only forbids you, with regard to those who fight you for your faith, drive you out of your homes, and support others in driving you out, from turning to them (for friendship and protection). Those who turn to them in these circumstances, do wrong" [Koran 60: 8-9]. Even though we believe firmly that "the religion before God is Islam" [Koran 3:19] and that "if anyone desires a religion other than Islam, it will never be accepted of him, and in the Hereafter he will be in the ranks of those who have lost (all spiritual good)" [Koran 3:85], our legal religious position toward adherents of the Book (who embrace a religion other than Islam) is to be reverent and just to them as long as they do not fight us, do not drive us out, and do not support others against us.

In other words, the Muslim believes in man's freedom to choose his religion and faith, and he defends this freedom, even if a religion other than Islam is chosen. In accordance with the principle of reverence and justice that governs our relations with Egypt's Christians, our partners in the country, I would have preferred not to use any phrases containing the words "cross," "crusade," or "crusader," especially since we are aware that our Christian brothers sanctify the cross (which represents nothing

sacred to the Muslims). As for this war, we are compelled to insist on calling it a crusade out of objectivity and on the basis of the following facts:

- Muslim historians continued to call the historically-famous crusades the Frank [or European] wars for many years, until they discovered that Europe's Christian fighters and their descendants insisted on calling them crusades.
- Also in the case of the ongoing crusades in (the former) Yugoslavia, Yugoslav Christians (both Orthodox and Catholic) have not concealed their insistence on characterizing them as crusades. For example, MAYU, an Egyptian newspaper, published the following in edition No. 999, issued on 17 August 1992: "Serbia Declares Crusade and Bush Does Not Forget the Vietnam Predicament." The paper added: "We [Serbs] urge Europe to support us in this holy war and to view us as crusaders trying to save Europe from Islam because we are fighting an Islamic plot to control the world."

So, whoever tries to characterize this war as ethnic or national to alleviate the perceived severity of the word "crusade" and its impact on the relations between Egypt's Muslims and Christians must be a traitor to the truth and ignorant of or ignoring the dictates of Islam.

Single Nation and Painful Reality

The irrefutable proof and evidence of this singularity of the nation is in God's words, may God be exalted, which say: "Verily, this brotherhood of yours is a single brotherhood, and I am your Lord and Cherisher: Therefore serve Me (and no other)" [Koran 21:92]. Therefore, the Muslim's interest in and preoccupation with the ongoing crusades in Yugoslavia is an axiomatic, individual duty. What is also axiomatic is that this interest and this preoccupation should be transformed into an influential position. But perhaps what diminishes this interest and weakens this position is the emergence of some morbid symptoms in the Islamic identity, such as nationalism, secularism, or even rationalism (in its backward Western sense). These symptoms could be serious, considering that the Muslim identity is subjected to poisonous doses of propaganda. Often, the meager rations offered by the official educational curricula are futile in countering this propaganda. This certainly throws the burden on the shoulders of the nation's ulema, who are guided by the Koran and the Sunna and who conduct their missionary work under a painful reality and numerous obstacles. The Islamic countries, with the exception of a few that can be counted on the fingers of one hand, have been afflicted with rulers who are either ignorant of or who ignore Islam. In both cases, they are allied with Satan in ruling their peoples with iron and fire. Thus, consultation [shura] has become a memory. As a result of the absence or elimination of consultation, the nation has entered, or nearly entered, the emergency room of history! Why wouldn't it, considering that consultation is the nation's intellect, and perhaps its heart, as well.

Priorities of Islamic Action

I have noticed many things that make me think strongly this. The priorities of Islamic action have not been determined scientifically. I also believe that consultation, as a fundamental principle of Islamic life, has not received proper attention in the areas of preaching and guidance, keeping in mind that the backwardness of the Islamic societies and their defeats in life's battles are nothing but one side of a problem. The other side is the absence of consultation. To cite a fearful example, the absence of consultation has been and continues to be the main barrier between Muslims in numerous countries and support for their Muslim brothers in the Bosnia. So, what is required is to let consultation play its role in determining the priorities and to give it its due right of scientific consideration so as to entrench it ideologically, jurisprudentially, morally, and educationally. There is no doubt that the issue requires a major effort.

Argentine Ambassador Discusses Nuclear Cooperation

93WP0070Z Cairo ROSE AL-YUSUF in Arabic
14 Dec 92 p 55

[Text] Jorge Humberto de Belaustegui, the Argentine ambassador to Egypt, said in an exclusive statement to ROSE AL-YUSUF that Egypt will not need the assistance of his country in the near future because it will have its own technology in the field of isotope production.

It will be able to transfer this technology to the countries in the region, especially since it has bought a nuclear reactor from Argentina.

The ambassador, commenting on an article published by ROSE AL-YUSUF titled *When the Reactor Explodes*, said that Argentina will train and qualify Egyptian experts in the field of nuclear technology and that Egypt will participate with the Argentine Government and with Argentine companies in building the reactor.

The ambassador said that the views about nuclear accidents that were expressed in the article are not acceptable because Argentina started developing nuclear technology more than 30 years ago and is considered one of the leading countries in this field.

He said: "After four years of in-depth studies by the Egyptian National Committee for Nuclear Energy, the contract was awarded to the Argentine company, despite the fact that other companies from the United States, Germany, France, and Canada have entered the bidding. The basic condition for bidding was experience, which the Argentine company proved through its many projects both inside and outside of Argentina."

It is worth mentioning that this reactor will be built under the supervision of the International Agency for Atomic Energy and in compliance with its regulations.

Academicians, Negotiators Discuss Peace Talks

93AF0348D Cairo AL-JUMHURIYAH in Arabic
10 Dec 92 p 5

[Article by Sumaya Ahmad: "Distorted Peace Between Negotiators and Academicians"]

[Text] The eighth session of the bilateral Arab-Israeli talks started last Monday in Washington. About the same time, the Cairo University Center for Political Studies and Research concluded a seminar on the Arab-Israeli talks and the future of peace in the region.

Despite the large distance between Cairo and Washington, there were some similarities in what might take place in Washington and what took place in Cairo.

Although a year has passed since the beginning of the negotiations for the peace process and although seven rounds have taken place, the peace process has not achieved any practical results, according to the statements of all of the parties involved.

The three-day Cairo seminar included an elite group of those interested in politics and also those working in politics, such as university professors, former ministers, and current officials in the Egyptian Foreign Ministry, the PLO, and the Arab League, as well as retired army officers who have experience in negotiating with Israel as a result of the armistice agreement of 1949, the disengagement agreements, and the Egyptian-Israeli Treaty or in fighting against Israel. It also included participants in the latest peace process, which began a year ago in Madrid.

The strange fact is that neither the negotiators in Washington or in Cairo reached a definite conception of peace or a visualization of the future of the peace negotiations, whether bilateral or multilateral.

The participants in the seminar discussed 14 papers that reveal that the peace process or even the concept of peace is still not clearly defined among the parties involved in the conflict.

According to Dr. Walid Friha, professor of political science at the American University, Syria talks about and believes in a final stage of an accepted and comprehensive settlement of the Arab-Israeli conflict and a complete Israeli withdrawal to the international borders prior that were established prior to 5 June 1967. Otherwise, Israel will have succeeded in dividing the Arabs through separate agreements with the Arab parties. This has led Syria to abort any attempt for a bilateral settlement between Israel and Lebanon. It considers itself the most important party to the Arab-Israeli conflict, including even the Palestinian themselves, especially after the Egyptian-Israeli peace treaty.

The Syrian position in the peace talks is based on the principle of land for peace.

The Lebanese position in the peace process revolves around the necessity of implementing Resolution 425 on Israeli withdrawal from the security zone in Southern Lebanon so that Lebanon will have sovereignty over all

of its land. According to Dr. Nasif Hata of the Arab League, Lebanon does not consider itself concerned with Security Council Resolutions 242 and 338, because these resolutions deal with Israeli occupation of Arab territories in 1967, while the Lebanese territories were occupied much later. In addition, Lebanon did not participate in the 1967 or 1973 wars that gave rise to the two resolutions.

Palestinian interest in the peace process revolves around the transitional stage and having the authority in the West Bank and Gaza Strip prior to the negotiations on the final settlement.

There are many obstacles and problems surrounding this stage.

Sa'id Kamal, the Palestinian ambassador to Cairo, said that if Israel were to withdraw from 61.8 percent of the West Bank and the Gaza Strip, there would still be disagreement about the settlements. Israel claims the right to administer them during the transitional stage, while the Palestinians refuse to accept such an arrangement. There is also disagreement about whether it will include the people but not the land, or both of them together.

The Jordanian problems with Israel in the peace process are related to land and water, but some progress has been achieved.

The Egyptian position, as stated by Foreign Minister 'Amr Musa, is that the differences in the Arab positions regarding the peace process does not mean the absence of a comprehensive Arab strategy, because "we are talking about a comprehensive peace, and there is no room for individual settlements."

Negotiations

If these are the views of the Arab countries that are participating in the peace process, it is clear that the negotiating process is a little bit different.

The paper submitted by Dr. 'Ahmad Yusuf, Dr. Hala Sa'udi, and Dr. Walid Friha indicates that there have been international and regional changes starting with the end of the Cold War and the disintegration of the Soviet Union, which was a strategic ally for the Arabs and for Syria, in particular, and ending with the second Gulf war. These changes prompted the Arab parties to start the peace negotiations with Israel. Other reasons included the moderate trend in the Arab world, the unacceptability of sacrificing the Palestinian issue, the weakening position of PLO, and the increasing military imbalance between Israel and the Arab countries.

The last factor might have been the most important one for Syria, which, through its conflict with Israel, had adopted the principle of strategic balance with a view toward achieving a military balance in the area that would allow it and the Arab countries to have a better negotiating position with Israel. This might have become difficult or even impossible after the collapse of the Soviet Union and the international and regional changes after the second Gulf war.

This view was expressed by Sa'id Kamal, who said that U.S. Secretary of State George Shultz used to say: "Yes to the international conference, but after proper preparations and in good time." We never understood when the good time was or what were the proper preparations up to now, after the end of the bipolar system and the destruction of the Iraqi military power, which was the strongest Arab military.

It is clear that Israel gained many advantages from these international and regional developments and their consequences, which resulted in the loss of the Arab countries' independent movement through the loss of Soviet diplomatic support, as well as military and economic aid, in addition to the influx of Jewish immigration from Eastern Europe and the former Soviet republics to Israel and the improved relations between Israel and these countries.

In his paper, General Ahmad Fakhr said that Egypt mobilized all of its diplomatic and ideological capabilities and negotiation experience, which are unmatched by any other party to the negotiations. Egypt is an Arab country and supports the Arab position. It is also the only Arab country that has diplomatic relations with Israel. It also has a large network of international relations, which gives it great credibility. These capabilities gave momentum to the peace process and helped it overcome many obstacles and problems due to the lack of communication between the parties. The Egyptians supported the legitimate Lebanese demand of an Israeli withdrawal from all occupied territories. It also supported the Jordanian position and, in particular, the Palestinian position on the procedures, forum, and content of the negotiations.

According to Kamal, Israel is still trying to gain time and hopes that other parties will withdraw from the negotiations. Israel is still concentrating on the principle of peace for peace and its freedom in interpreting Resolution 242 and the necessity to achieve progress in the multilateral negotiations before moving on to the bilateral negotiations. This attitude was described as "Israel wanting to take something before it gives anything."

Ambassador Ahmad 'Uthman, a prominent Egyptian diplomat, said that since his participation with the Egyptian delegation in the armistice agreement of 1948 and during his work in the United Nations, the Israeli's have always asked to negotiate directly with Syria. "I personally was convinced and said why not? The occasion came after the October War, during the peace negotiations in Geneva. I thought that Abba Eban, then the Israeli foreign minister, would be very pleased, and I even imagined the welcoming remarks of the Israeli delegation. I was very surprised to find that the Israeli's were very upset."

Dr. (Wadud Badran) summarized the current negotiations between the Arabs and the Israelis by saying that they do not indicate any elements that would support mutual confidence.

It is clear that despite the intransigence and procrastination in achieving any progress in the bilateral negotiations, Israel is very keen to achieve progress in the multilateral negotiations that concentrate on naturalization procedures after the settlement, especially in the areas of water resources, economic cooperation, the environment, disarmament, and the refugees. Israel is not opposed to the work of some committees, especially the committee on refugees.

According to Qadri [not further identified], the multilateral negotiators are still meeting to present the views of each party. These meetings are taking place as the result of a request by the Arabs and will continue until concrete progress is achieved in the bilateral meetings. There are still disagreements among the Arabs about the method of participation in these negotiations. They have been boycotted by Syria and Lebanon until progress is achieved in the bilateral negotiations, because it is unnatural to move from state of war to a state of naturalization before specifying the conditions of peace and coexistence in the area.

Other parties consider participation in these talks as a carrot presented to Israel to encourage it to give concessions in the bilateral negotiations.

The Egyptian foreign minister affirmed that it would not be possible to achieve any progress in the multilateral negotiations without concrete progress in the bilateral negotiations.

Internal Affairs

Articles Assess Internal Security

Interior Minister Interviewed

93AF0357A London AL-SHARQ AL-AWSAT in Arabic
17 Jan 93 p 5

[Interview with Interior Minister Muhammad 'Abd-al-Halim Musa by Muhammad 'Ali al-Qulaybi in Tunis: "Iran Has Clearly Announced It Backs Terrorism; Arms Smuggling Operations Across Our Borders Expected; We Have Not Asked Washington To Turn Over 'Umar 'Abd-al-Rahman"; date not given]

[Text] At the 10th session of the Council of Arab Foreign Ministers, which concluded last Tuesday in Tunis, Egypt's interior minister, Major General Muhammad 'Abd-al-Halim Musa, focused his participation on one main theme: "the phenomenon of terrorism that cloaks itself with Islam and claims to be zealously committed to it while being utterly at odds with and dangerous to Islam."

Against this background, Musa called on Arab foreign ministers to draw up an immediate plan to combat terrorism. AL-SHARQ AL-AWSAT interviewed the Egyptian interior minister on this subject. We began with the following question:

[Al-Qulaybi] What goals do you seek to accomplish with this plan?

[Musa] First, we must distinguish in this plan between what pure Islam truly teaches about summoning to the good, promoting virtue, and suppressing vice, and how this call has been exploited and perverted into using violence and compulsion in the name of this call and its alleged implementation.

Second, we in Egypt believe that extremism in religion leads a person to piety, not to terrorism. Specifically, it does not lead to imposing a view on others by force, no matter how correct the view may be. In other words, we do not disagree that prayer is an Islamic duty.

Third, if we agree on the general foundations of the concept of terrorism, we must exchange information about terrorists and their methods. We must coordinate mutual cooperation to confront them; for these religion-exploiting terrorists coordinate among themselves about their activities in Egypt, Algeria, Tunisia, or other countries. So they must be countered through coordination and cooperation among Arab security agencies.

[Al-Qulaybi] But isn't there talk about trilateral cooperation and coordination between Egypt, Tunisia, and Algeria in dealing with terrorism?

[Musa] As a matter of fact, there are bilateral contacts among the three countries. Visits are taking place between officials who deal with this illegal activity, although we seek to strengthen and increase the effectiveness of this cooperation.

What this means is cooperation in public awareness to combat this sort of terrorism, specialist training, and benefiting from the special expertise each country has acquired in combatting terrorism.

[Al-Qulaybi] Have the recent confessions by certain elements accused of attacking tourist buses been revealed to you?

[Musa] The confessions and the attacks have been revealed to us and to the Egyptian public. Some of the public had been taken in by the claims of these groups and imagined that their activities were really in response to religion. This veil now has fallen away completely in the eyes of ordinary Egyptian citizens. Now they know for a fact that these groups are snatching the bread out of their mouths in order to achieve their goals of attacking the government.

Realizing the seriousness of their error, the groups have hastened to distribute a secret statement to the news agencies, apologizing for attacking tourists and stating that they slipped into this method under pressure from the Egyptian security apparatus. Naturally, we do not believe their intentions, nor will we agree to bargain or compromise with them. Either there is order and good security, or there is not.

[Al-Qulaybi] What must these groups do now?

[Musa] First, we can say that most of the members of these groups have been caught. A very limited number of them remain, but we know their names and will continue to apprehend them for prosecution.

What these fugitives must do is surrender themselves and turn over whatever plans, information, and weapons they have. Then their good intentions will be proved, and they can benefit from the exemption that the law provides in such cases.

[Al-Qulaybi] How are the activities of these groups funded? You told the parliament that checks in the amount of \$140,000 were intercepted being remitted from 'Umar 'Abd-al-Rahman to Egypt.

[Musa] With regard to the money interception operations that have taken place, I, as interior minister, cannot be absolutely certain about the sources and purposes of the money. I have evidence and indications that the money was to be used to finance terrorist operations, but the Egyptian courts have the final say on the matter.

[Al-Qulaybi] What position did Shaykh 'Umar 'Abd-al-Rahman take on the incidents of attacks on tourists in Egypt?

[Musa] As far as I know, no definite charge has been pressed against Shaykh 'Umar 'Abd-al-Rahman to date by any judicial agency. Investigations are continuing. Charges may or may not be pressed, depending on what the judicial investigations uncover.

I say that this is sure proof that democracy and the law are the things that control the position of Egypt's security agencies toward any activity on the part of Shaykh 'Umar 'Abd-al-Rahman.

[Al-Qulaybi] But it was recently reported that Egyptian authorities have asked the United States to turn over Shaykh 'Umar 'Abd-al-Rahman. How true are these reports?

[Musa] As far as I know as interior minister of Egypt, we have not made this request. Shaykh 'Umar 'Abd-al-Rahman can enter Egypt at any time. His right is guaranteed in the framework of the law. We must remember that Shaykh 'Umar 'Abd-al-Rahman was charged previously in the case of President Anwar al-Sadat's assassination. When the court acquitted him for reasons it determined, the security agencies left him free. When he applied to travel abroad, no one objected.

[Al-Qulaybi] It has been mentioned in some circles that an Arab country gave you a report with information that Iranian authorities trained 2,000 people at the Mashhad camp, including nearly 500 Egyptians. Is this correct? How do you assess the Iranian danger to security conditions in certain Arab countries?

[Musa] We maintain that Iran has clearly announced that it is officially backing and funding this kind of terrorism. Statements by Iranian officials have said as much. What can we add to people who themselves

confirm what they are doing? We have evidence—perhaps it does not amount to conclusive proof—showing that Iran is backing terrorist operations like these. Egypt has announced that it is ready at any time to open a new page with any country that pledges not to interfere in our internal affairs. We do not look to the past as much as we look to the future.

[Al-Qulaybi] Other circles say that Egypt has obtained concrete information from another Arab country about the presence of a number of camps in Sudan. Is this true?

[Musa] The peoples of Egypt and Sudan are linked geographically and historically. I say again that we do not look back; we always look ahead. Our hand remains extended in love and brotherhood to every country that does not interfere in our internal affairs. We also are pledged not to interfere in the internal affairs of any country. That is what I can say.

[Al-Qulaybi] What happened at the meeting that brought you together in Tunisia with the Sudanese interior minister, Major General al-Zubayr Muhammad Salih?

[Musa] Without going into details, all that was discussed was affirming the desire of the fraternal Egyptian and Sudanese peoples to overcome any problems between them and that the close relation linking them will work through an untypical period—God willing—and reach eventual settlements of the various problems between us.

[Al-Qulaybi] But there is talk about unusual security measures along the Egypt-Sudan border. How correct is this?

[Musa] There are security measures on all of Egypt's borders. When someone is looking for a sign of a disagreement, he finds something abnormal in every ordinary move.

[Al-Qulaybi] In recent days, some newspapers have published that the persons accused in the Aden explosions smuggled arms through southern ports in Egypt. What is the truth about this?

[Musa] Some time ago, Egyptian border authorities intercepted weapons coming from the southern borders. It happened several times, and we announced it at the time. As security agencies, we expect arms, drug, or merchandise smuggling operations across all of our borders, and we work to thwart such attempts.

[Al-Qulaybi] What is the truth about contacts between the security agencies and some of the prisoners accused in political cases, including 'Abbud al-Zumar?

[Musa] It is not true. 'Abbud al-Zumar is in prison to serve a sentence that was pronounced against him. So there is no contact between him and us beyond enforcing the prison rules on him.

[Al-Qulaybi] Finally, how do you assess the 10th session of the Council of Arab Foreign Ministers in Tunis?

[Musa] It was a very positive session because it showed almost universal agreement on various security issues.

Extremists Begin 'Leaflet War'

93AF0357B London AL-SHARQ AL-AWSAT in Arabic
4 Jan 93 p 4

[Article: "Extremist Groups Begin Leaflet War in Egypt"]

[Text] Cairo—Having lost their weapons arsenal because of security campaigns, Egypt's extremist groups have begun a new war with leaflets and communiques. These groups yesterday renewed their threats to continue their operations against security men because of the arrest of dozens of their members during security campaigns in the districts of Imbaba, 'Ayn Shams, and Bulaq al-Dakrur at the end of last year.

The extremist groups said in a statement issued yesterday bearing the signature of "al-Jama'at al-Islamiyah" that Egyptian policemen would not escape punishment for their attacks on the group's members and for organizing campaigns to banish some of the members' families from their areas of residence to other areas.

The communique called attention to the existence of a problem of Egyptians banished within Egypt under the recently amended criminal law that gives the interior minister the right to banish persons from one area to another.

Instructions Received by Video

93AF0357C London AL-SHARQ AL-AWSAT in Arabic
21 Dec 92 p 4

[Article: "Extremist Hideout Raided in Ismailia; 'Umar 'Abd-al-Rahman Sends Instructions for Sabotage and Assassination Operations by Video Cassette"]

[Text] Cairo—Egyptian security forces raided a hideout in Ismailia where extremists were receiving videotaped instructions from al-Jihad's fugitive mufti, Dr. 'Umar 'Abd-al-Rahman (now in the United States), on blowing up installations and assassinating senior officials. The forces arrested 15 suspects in the hideout, which had been turned into a closed hall for showing videos about fighting methods and the use of automatic weapons in combat. The arrested men confessed that they were receiving training from one of their leaders, Shaykh Abu-Haytham, who had been in Afghanistan.

The sources stated that the forces reached the hideout, located on the shore of the Suez Canal and operated by an organization member named 'Ali Khamis, by following another member whose job was to arrange trips by members of groups from Cairo Governorate and the Delta to the hideout to watch the videos. Security forces seized a video of the assassination of late President Anwar al-Sadat, along with tapes of mosques controlled by extremist groups in Imbaba, Bulaq al-Dakrur, 'Ayn Shams, and al-Zawiyah al-Hamra'—tapes designed to show the extent of the influence of these elements and their control of these mosques before they were taken over by the Ministry of Religious Trusts. The videos included footage of Shaykh Abu-Haytham leading Egyptians in Afghanistan during the fighting against Soviet occupation. The Public Prosecutor's Office has begun to

question the suspects and has charged them with incitement to overthrow the government and attempting to alter political structures and organizations by force.

In a related development, the Asyut General Court has ordered Jamal (Faraghalli) Haridi, the leader of al-Jihad's military wing; Sharif Damur; 'Imad Zaki 'Alam-al-Din'; and 'Id Muhammad 'Ali detained for another two weeks pending investigation of their involvement in the Sanabu massacre in which 15 Copts were killed last May. The prosecutor also ordered six extremists in the city of Bani Suwayf to be jailed for attacking mosque preachers in the city during last Friday's congregational prayers, trying to incite the public, and engaging in acts of violence against police forces stationed on the streets of Bani Suwayf.

Organized Violence Denied by 'Jihad'

93AF0357D London AL-SHARQ AL-AWSAT in Arabic
29 Dec 92 p 1

[Article: "Our Contacts With 'Abd-al-Rahman Were Interrupted; Attacks Were Individual Due to Arrest of Leaders"]

[Text] Cairo—In special statements made to AL-SHARQ AL-AWSAT, the leader of al-Jihad's military wing, Safwat 'Abd-al-Ghani, said that contacts between himself and Dr. 'Umar 'Abd-al-Rahman, the organization's mufti who now lives in the United States, had been interrupted. The two used to be in constant contact.

'Abd-al-Ghani denied that 'Umar 'Abd-al-Rahman had any role in the group's funding or planning. He said that had the United States been convinced that he was playing any role, it would have turned him over to Egypt immediately.

From behind bars at the High Court for State Security, Safwat 'Abd-al-Ghani told AL-SHARQ AL-AWSAT that the attacks carried out in Upper Egypt were individual acts committed by young extremist group members who had lost their effective leaders who were now in prison.

After "the measure overflowed," he added, as a result of intensive pursuit of al-Jihad leaders, the group turned to attacking tourism in Egypt as a blow to the regime after lines of contact were broken between the organization's members and its leaders.

Safwat 'Abd-al-Ghani called on the Egyptian Government to hold talks with members of the organization and release its leaders so that the tourism incidents might cease. He said that 75 percent of tourist activity in Egypt conflicts with Islamic traditions. Tourists, he said, were carrying out espionage and intelligence work and were spreading AIDS among young people.

Causes Behind 1992 Calamities Explained

93AF0353B London AL-MAJALLAH in Arabic
23 Dec 92 p 53

[Report by Professor 'Ali-al-Din Hilal, director of Cairo University's Political Research and Study Center: "The Year of Calamities and Confronting Terrorist Groups"]

[Text] In 1992, Egypt witnessed a number of accidents that shook our people to their roots and aroused many comments and disagreements in the media.

The year started with the incidents at Zawiyat 'Abd-al-Qadir, when a dam collapsed near Alexandria and caused the destruction of dozens of houses, leaving the tenants homeless. It was very clear that there was a controversy in the statements of the officials regarding the reasons for this accident. The weekly AL-MUSAWWAR led a campaign against high-level officials in the Department of Irrigation.

Then there was the sinking of the ferry boat Salim Express, which was on its way back from Saudi Arabia carrying a large number of passengers. The result was hundreds of casualties, and the bodies either decomposed in the salt water of the Red Sea or were devoured by the sharks. For more than two years, the media showed bloody pictures of the rescue process to the public and to the victims' families.

The year ended with the calamity of the earthquake, which hit Egypt on 12 October and resulted in damages that have been estimated so far at 4 billion Egyptian pounds. Because this natural disaster was a surprise, the Egyptian authorities were not ready to deal with its consequences. Egypt depended on the armed forces to prepare the transitional shelters and, initially, to supervise them.

These disasters effected political and social life in Egypt. The greatest incident that continued throughout the year was the acceleration of armed confrontation between the groups of political extremists who resort to violence against the state institutions and the general public in the name of Islam.

One of the manifestations of this confrontation is the incident in al-Fayyum Governorate at the beginning of the year. In June, Faraj Fudah was assassinated outside his home as a punishment for his ideas, which some of these factions considered blasphemy against Islam. Then there were the incidents where Christians and their property were fired upon in Upper Egypt, and Dayrut in particular, where armed groups assassinated 12 Christians in different places at the same time. This was an indication of these groups' self-confidence and also a challenge to the security authorities. Another aspect of the acceleration is the shooting of foreign tourists. Because tourism is a major and increasing source of foreign currency to Egypt, the attacks on tourists have far-reaching and disastrous political and economic consequences.

What factors explain the self-confidence of the political extremists, their rise, and their use of violence?

There are four considerations in this respect:

- The first factor is the return of a number of Egyptians who fought among the ranks of the Afghan mojahedin and gained direct and firsthand military experience. The return of these people led to a rise in the extremists groups' weapons capabilities and a greater

capability to plan terrorist activities. The Egyptian police were no longer dealing with amateurs, but with elements that have a high standard of professionalism and military experience.

- The second factor is the situation in Algeria after the first stage of Algerian National People's Assembly elections and the military interference to prevent the second stage. Some members of the Islamic trend understood this incident to signify that power sharing through legitimate channels and ballot boxes is impossible and that the only path open to them is violence. The proponents of this view say that the Algerian Islamic front wanted to achieve power through the ballot boxes, but reached a dead end because the other powers halted the democratic process. It is very likely that this explanation of the situation in Algeria is also believed to be the Islamic trends in other Arab countries.
- The third factor is that different groups in Egypt varied in their willingness to support military escalation and the country's weakness or inability to do so. It seems that the Egyptian political leadership's desire to continue the atmosphere of political tolerance in Egypt and its unwillingness to undertake a large-scale police action was misunderstood by the leaders of these groups and was considered as an absence of will and inability to confront them.
- The fourth factor is the continuation of the circumstances, such as the bad economic situation, the lack of social services in Upper Egypt, and the lack of organized political action, on the part of both the governing National Party or the opposition parties, among young people, which led to political extremes. This resulted in a political and moral vacuum, which the Islamic groups managed to fill. With the passage of time, these groups managed to spread their roots in many remote villages, and they also reached younger people. Most of the people who are arrested are no longer in their twenties. Now most of those who are arrested are teenagers.

An observer of political statements and the positions must notice that there is a certain amount of uneasiness on the part of the Interior Ministry, which hinted that it could not deal with the phenomena of violence and armed terrorism as it had hoped to do. It needs political and legal support to perform what it has been asked to do.

The statements of ministry spokesman General Baha'-al-Din Ibrahim in July and August indicate this viewpoint. Ibrahim said in public seminars and in statements to the press that the current situation is not helping the ministry deal with the phenomenon of terrorism.

It seems that the change in the government's thinking took place after the 12 Christians were assassinated, which was followed by an attempt on the life of the warden of Tura Prison while he was driving on the highway, and the activities of four armed groups in Dayrut to revenge to the death of Shaykh 'Arafah [Darwish]. One of these activities was directed against the

head of the police department. These activities represented a challenge to the government. The legislative wheels moved very quickly, and the People's Assembly approved an amendment to the criminal law to allow for the formation of military tribunals to deal with the cases of terrorism. The security authorities started a large-scale confrontation process against these groups.

The president gave a high priority to the topics of terrorism and the use of violence in many of the speeches that he delivered in the latter part of the year. In his address at the opening of the new parliamentary session in November, he indicated that terrorism is a threat to the development of democracy in Egypt, saying that the security authorities alone could not solve the problem. He called upon all the people to confront this problem.

Clearly the confrontation between the government and these groups will not end overnight. There is a long and difficult path ahead that is calling for cooperation between the government and society.

Commentary Criticizes Life-Term Presidency

93AF0353A Cairo AL-SHA'B in Arabic 12 Jan 93 p 12

[Commentary by Muhammad 'Abd-al-Quddus: "Problems of the Muslim World"]

[Text] It is certain that last year was a very severe one for our Islamic world.

What happen in Bosnia and Somalia is scandalous. The people of the Palestinian intifadah are facing severe conditions. The Muslim countries are unable to move. The dignity of the Muslims has been violated. The Muslim countries are suffering from many problems. Most of these countries are Third World countries, which is a polite expression that means "backward." What is the secret of this backwardness?

I am sure that there is a very good reason. The cause of our calamity is "We Pay With Our Souls and Blood for Your Safety, O President." This slogan is the cause of our plague. It made us lose both our religion and our life, and it is the reason for all of our calamities. In every Muslim country, there is a sole ruler who has absolute powers and is not answerable to anybody. He has the right to command, and his followers sing his praises. In every part of our world, we find that the ruler stays in power for life. There is no difference between a monarchy and republic, a reactionary or a progressive regime, a prince, a shaykh, a president, a sultan, or a revolutionary ruler. They all rule indefinitely. The only exception is the former ruler of Sudan, Siwar-al-Dhahab, who ousted Numayri, otherwise there is not one ruler who left power alive. They all died while still in power. I do not think that there is any significant difference between the countries that were under a monarchy and then became republics after a coup. The amazing thing is that in many of these countries, the people remember the times of the monarchy favorably after the suffering they endure under the rule of the soldiers.

The "inspired ruler" is just like a king; he rules for life. He always wins the presidential elections by a landslide. Of course, he is the only candidate, and his victory is always by 99.99999 percent. What backwardness!

Because every ruler clings to power until his last breath, there is no room for peaceful change. The mistakes pile up, and the problems spread without any hope of resolution. In a free system, the authority changes among the parties, subsequently these systems are capable of reforming themselves.

We have a different situation. The authority is in the hands of one person, who rules for life. "We Pay With Our Souls and Blood for Your Safety, O President" is a slogan that covers all of the corruption and the accumulated mistakes. As for the political parties, they are just a decoration, and no ruler would even imagine that these parties would replace him.

Because the system of government in our Islamic countries is very similar, it is not strange to find identical mistakes and common characteristics of backwardness. All countries suffer from severe violations of human rights. We do not even have one country with a good record in this respect. The major newspapers are owned by the government, and there are severe restrictions on publishing newspapers and magazines. The responsibility of the government-owned media is to defend the president, who is the true and sole owner of the newspapers. Corruption is everywhere, whether in the capitalist or revolutionary systems.

Under such regimes, the United States holds 99 percent of the cards. Our countries revolve in its orbit. How long are we going to deceive ourselves? There will never be any real change unless the slogan of "We Pay With Our Souls and Blood for Your Safety, O President" is done away with and each country becomes the property of its people.

Corruption Viewed as Cause of Most Tragedies

93AF0349C Cairo AL-WAFD in Arabic 10 Dec 92 p 6

[Article by Dr. Ibrahim Dasuqi Abazah: "Death to Us and Long Live the Mafia"]

[Text] Great corruption is behind most of our tragedies.

Because corruption protects corruption, the corrupt remain undeterred and unpunished. If corruption were far from the government, it would be possible to contain and defeat it. But the problem is that corruption emanates from the government and is armed with its teeth and talons, and whoever wishes to confront it must bear the consequences.

Had it not been for corruption, the (Loran) Apartment Building in Alexandria would not have collapsed a few months ago, and dozens of residents would not have perished under its rubble.

If it had not been for corruption, all of those buildings and schools would not have collapsed because of a medium-intensity earthquake. If it had not been for

corruption, the Bilbays suspension Bridge would not have collapsed less than three years after it had been built.

If it were not for corruption, people would not violate the permitted [construction] elevations, and Cairo would not have turned into a jungle of cement towers.

If it had not been for corruption, housing would not have encroached upon arable land, and Egypt would not have lost 1 million feddans of its most fertile land.

If it were not for corruption, state lands, loans, grants, and foreign aid would not turn into a business, and investors and citizens would not be fleeced in government ministries, departments, and agencies.

If it had not been for corruption, the public sector would not have been ruined, and the attempts to save it would not have failed. If it were not for corruption, it would be possible to get to all those who have caused these national tragedies, try and convict them, and make reparations for the damage done to society as a result of their crimes.

But here in Egypt, corruption protects the corrupt and prevents their apprehension, trial, and punishment because it is a corruption armed with and embraced by the government's authority.

Have we been able to bring to account owner of the (Loran) Apartment Building in Alexandria, keeping in mind that he is the architect and contractor who built the building? His excellency settled the issue by paying a million and some pounds for the residents' lives. Thus, the case was closed, and he escaped the fate awaiting Hajjah Kamilah and her husband, even though his excellency's building did not collapse because of earthquakes, winds, or rains, but because of greed and premeditated adulteration of construction standards.

Have we been able to bring to account dozens of architects, contractors, and supervisors who are responsible for the collapsed schools? More than 50 days after the earthquake, we hear that six architects have been referred to the public prosecutor. Are these the only people responsible for the collapse or the coming apart of hundreds of schools? Where are the architects, the supervisors, and the examiners involved in the enormous number of schools and educational institutions that have collapsed or come apart? Have we been able to bring to account the gentlemen who are responsible for the collapse of the Bilbays Bridge? Have we heard the name of a company, an engineer, or a contractor referred to the prosecution or to a disciplinary court?

It is impossible to eliminate this corruption unless the regime itself is eliminated. No dictatorial regime can beget honesty and purity. Corruption is the legitimate son of dictatorship that brings in confidants, covers up their deviation and crimes, and protects them from accountability.

It is true that corruption is in the nature of man, and it is true that it exists in democratic regimes. But it is certain that if corruption develops under democratic regimes, it is highlighted immediately. Thus, it does not proliferate and does not accumulate. Rather, it is surrounded and uprooted.

We have seen in the United States and Japan numerous examples of presidents and prime ministers who have fallen for just being accused of promoting or covering up corruption. We have recently seen Britain's finance secretary shake in his seat just because he has slightly overdrawn his bank account.

We have seen numerous examples [of corruption] in Eastern and Western democratic countries, but we have never seen corruption take root and become a fundamental rule in the conduct of public life, except in countries afflicted with dictatorship. This regime produces nothing but corruption because it is, by nature, a despotic and authoritarian individual regime that gives no weight to selecting aides or to controlling them and bringing them to account. Rather, it is a regime that is subservient to the principle of absolute loyalty to the dictator.

Many have tried to strike the corruption that is entrenched in the bosom of the regime, but they have failed. They have tried to strike it in the public sector, but corruption has been stronger than their blows! They have tried to strike in the higher central and local government positions but their blows ricocheted to hit them. The corrupt have triumphed, the reformers have been defeated. The tables have been upturned and whoever fights corruption is exposed to all kinds of pressure and intimidation. The corrupt have organized themselves in immense networks that have spread in all parts of the government and occupy all steps of the administrative ladder. The rulers can no longer fight this epidemic that they have started with their tyranny and oppression, which has wrapped itself around their necks and which is threatening to wipe out their thrones. The only solution to this epidemic that is poisoning our life and threatening our future is freedom and democracy. Democracy puts the people's interests above all other considerations, establishes the criteria for reward and punishment, and makes it possible to expose corruption and deviation, thus not allowing them to grow or proliferate. This is why the corrupt are democracy's archenemies and its most ferocious adversaries in the political action arenas.

Economic Cooperation With EC Pursued

93AF0348A Cairo AL-WAFD in Arabic 6 Dec 92 p 2

[Article: "Cooperation Agreement Between Commercial Representatives and European Community"]

[Text] The trade representative of the Egyptian Ministry of Economy and Foreign Trade has contacted the European Community to reach an agreement for cooperation and mutual recognition of quality and specifications. It also seeks 1.5 million ECU's [European Currency Units] to establish a training program in this field. Midhat al-Juwayni, director of the Trade Representatives Office at the ministry, said that the EC requires Egyptian companies to abide by the international specifications ISO 9000 and ISO 9004 and by the quality control specifications in order to continue dealing with the European community. He added that the system of liberalizing services in the European community would require the Egyptian banks to abide by the decisions of the Basle Committee for the World Bank as of the beginning of next year as a basis for dealings with the European banks.

Regarding the EC's policy toward Egyptian exports, al-Juwayni said that according to the agreement signed between Egypt and EC in January 1977, Egyptian commodities entering EC markets enjoy quota and customs exemption. This means that the Egyptian commodities are exempt from customs and are not subject to the quantity restrictions and the procedures that would have an equalizing effect.

The director said that there are certain commodities that are not subject to the exemption, including manufactured products of animal or agricultural origin, beer, alcoholic beverages, sugar products, malt, and baby formula. The EC has the right to impose effective custom tariffs or taxes on such products.

Banking System Reported Showing Profit

93AF0308B Cairo AKHAR SA'AH in Arabic 30 Dec 92 p 9

[Article by Ala'-al-din Mustafa]

[Text] Egypt has been classified as one of 31 emerging countries in the world. If it continues to pursue an economic reform policy, after the success it has achieved in the first stages of reform in the areas of finance and state budget deficit inflation rate reduction, it could achieve remarkable success. This has been stressed to AKHIR SA'AH by Mahmud 'Abd-al-'Aziz, president of al-Ahli Bank and chairman of the Union of Arab and Egyptian Banks.

Mahmud 'Abd-al-'Aziz said that this was the first time in several years that the banking system has realized a surplus in local savings and foreign currency. This cash liquidity must be dealt with in a highly professional manner, particularly in view of the fluctuations in world currency rates of exchange.

Addressing the Association of Economic writers, Mahmud 'Abd-al-'Aziz said:

"Following the changes in banking and credit laws, the Central Bank has been given wide powers. It is now an effective power in the field of banking control. This is a requirement of the policy of economic liberation. The banks have become free to set the interest rate on local deposits in local currency on the basis of supply and demand.

Mahmud 'Abd-al-'Aziz warned against terrorist attempts to sabotage tourism and the economic reform policies because this would jeopardize the Egyptian economy, particularly because tourism is regarded as one of the major sources of foreign income, in addition to remittances by Egyptians abroad.

Mahmud 'Abd-al-'Aziz said the capital market will become important in the coming stage, particularly because Egypt has achieved success in the money and exchange market. All that remains is the activation of the capital market.

He pointed out that the absence of a capital market has placed a heavy burden on the banks that mainly operate in the field of short-term lending. For this reason, over the years these banks have shouldered the burden of long-term lending, which had a negative effect on the availability of capital in the banks.

He said the cash liquidity realized by the banks is due to the increasing savings of the Egyptian pound because the high interest rate, which is higher than the inflation rate. This is in addition to the high interest rates paid by the treasury bonds in Egyptian currency. This coincides with the worldwide drop in the dollar interest rate, which has prompted savers to convert their savings from foreign currency to Egyptian pounds.

He said that success in the monetary policy has been achieved because all of the technical tools have been used simultaneously for the first time. He added that Egypt's unexpected success has caught the world's attention.

However, one of the drawbacks of reform is the recession that is currently prevailing in the markets. It is a side effect of any economic reform and is a price that we must accept, but on the condition that it will be short. If we fail to continue the reform process, then all of these fruitful results could be lost.

Mahmud 'Abd-al-'Aziz said the Basel committee's classification of Arab banks as high-risk is unjust and unfair because the Arab banks have capabilities that enable them to perform at the highest levels.

He said that the Union of Arab Banks discussed this issue in Morocco recently and came to the conclusion that the Basel classification is incomplete because it is concerned only with the standard of capital adequacy. He said: "We have introduced an amendment to go along with this standard, namely conscientious and professional management, as well as cautious policies. The Arab banks are adopting and implementing these

policies before entering into negotiations with the European Community in order to remove the Arab area from this arbitrary classification.

Officials: Door Closing on Egyptian Exports

93AF0349B Cairo AL-WAFD in Arabic 7 Dec 92 p 3

[Article by Amir Abu-al-Sa'ud: "Agricultural Policy Has Failed; Door Closing in Face of Egyptian Agricultural Exports"]

[Text] The Egyptian farmer and exporter is wailing now that Europe has shut its door violently in the face of our agricultural exports and that we are facing a catastrophe that could be characterized as an "economic earthquake." We will lose more than 500 million pounds annually.

As of January 1993, exports to the European countries will be subject to new requirements and standards on which the EEC [European Economic Community] countries have agreed with the purpose of establishing special criteria for the entry of farm products such as fruits and vegetables into their territories. Of course, these requirements and standards take these countries' interest into account, and it is in their economic interest to market their farm products among themselves and strangle the products of other countries.

Some countries have intervened, protested, and received special exceptions that permit them to pass their products through the closed door. This is because they have kept their economic interests in sight. As for our crops, they have found nobody to defend them against the difficult standards and requirements that are debilitating to us. The door has been closed in the face of our farm exports. The country will lose millions and billions, and the government agencies remain totally unconcerned. The victims of this situation will not be just exporters or export companies, but also small farmers and Egyptian citizens, who will be affected severely because increased farming costs have been offset by providing certain quantities for export. Increased annual costs without crop marketing means that prices will drop to a point where farmers will not be able to continue to produce.

Where were the agricultural and economic policy "geniuses" when the European countries began to plan their programs for dealing with the products of countries outside the EEC? What is amazing is that most official statements asserted that the EEC accords would not affect us and would not undermine Egypt's economic interests. Regrettably, all of those statements have been hollow.

The European countries that apply a uniform economic policy have established requirements and standards for fruits and vegetables, which they will allow to enter. These requirements are very difficult for all Egyptian crops to meet because they demand certain specifications for fruit. Crops must be checked in laboratories to make sure that they meet these specifications. These requirements demand, moreover, that soil be fertilized with a natural or chemical fertilizer is not harmful to

health. There is a long list of conditions that has made one exporter say that he will not be able to export a single kilogram.

Official Reports

In an official economic report concerning the implementation of the economic and social plan, Dr. Kamal al-Janzuri, the deputy prime minister and planning minister, has asserted that the value of commodity and service exports amounted to \$10 billion during the nine months in which the plan has been in implementation. The report, submitted by al-Janzuri to the cabinet, states that the value of our commodity and service exports has amounted to 30.8 billion Egyptian pounds, or nearly \$10 billion. The government report says that farm exports have continued to decline, compared with a constant increase in the value of industrial exports. Farm exports amounted to nearly 408 million pounds in the 1991-92 period, compared with 536 millions in the corresponding period last year. Thus, agricultural exports declined by 128 million pounds in one year.

Agricultural Conditions

We continue reviewing some economic issues by way of technical reports on Egypt's agricultural conditions. These reports say that Egypt's agriculture sector began to decline noticeably as of the late 1950's, thus losing its relative significance and contribution to the national income. This is due to several causes, the most important of which are: the government policy at the time, which devoted attention to the shift toward industry and neglected agriculture; the decline of agricultural production because of the policy of pricing agricultural products, which had an impact on most important crops; and the negative effects of the agrarian reform law.

Therefore, reform to eliminate these effects and to establish a sound agricultural policy begins by eliminating the devastating effects of the fragmentation of arable land ownership and of the backward agricultural methods employed. The spread of small land ownerships makes it difficult to introduce modern agricultural methods.

Potatoes and Oranges

Potatoes and oranges are among Egypt's biggest farm exports to the outside world. But regrettably, export indicators have begun to slide down sharply. Potato export rates have decreased, and the reason is the new standards and stiffened control established to prevent the entry of Egyptian potatoes infected with brown mold. The EEC countries have been absorbing nearly 200,000 tons of Egyptian potatoes annually. But it is feared that the export rate is going to diminish or decrease while Egypt is at the peak of the potato season. Potato cultivation in Egypt is supposed to be subject to strict control, particularly because potatoes are an important crop that is exported to European countries during the winter. Efforts must be made to ascertain that seedlings and crops are subjected to strict control by the agricultural centers and packaging plants.

As for oranges as an export crop, this export was subjected to a strong blow when the door of export to the former Soviet Union, which was the biggest market for Egyptian oranges, was shut. Efforts are being made to open new markets for Egyptian orange exports under difficult conditions in foreign markets.

Loss of Millions

Dr. Nabil Luqa Bibawi warned against laxity in the efforts to develop solutions because the problem is considered to be a bigger catastrophe than the earthquake. Exports to the foreign market represents a lifeline for the Egyptian peasant and small farmer and are important to the entire country. Egypt must work to promote exports to secure for the country more of the revenues that it needs. It must make the utmost efforts to eliminate export obstacles in all ways and with all means. It would be a shame if Egypt were to lose millions of pounds in income from Egyptian fruit and vegetable exports to European countries.

Bibawi added that losing the value of Egyptian exports to Europe will effect the small farmer and the country's economic development plan and programs because the country will lose its share of exports and the income from these exports that have been supposed to be increased annually. Now, we are facing the specter of a halt to Egyptian vegetable and fruit exports to Europe. We will not be able to introduce a single kilogram of fruits or vegetables when the list of new standards adopted by the EEC countries is issued. This list establishes difficult standards, measurements, and requirements for allowing exports into the countries.

Tightened Grip

The requirements and standards reach the point of strangulating Egyptian crops. They actually come close to a ban. It is difficult for Egypt's agriculture to penetrate these conditions. For fruits, for example, they require specific content of sugar, water, and other ingredients. Fruits are checked in laboratories to make sure that they meet this requirement. It is very difficult for Egyptian agriculture to meet this requirement because it cannot control crop standards, considering that land ownership is fragmented and that each peasant or farmer works independently.

When an exporter puts together a shipment of fruits and vegetables, he deals with more than one farmer, and, therefore, the contents are varied. So how can each crop be checked and analyzed, especially since domestic laboratories are not accredited and since the analyzing has to be conducted in Europe? If a shipment is rejected on the pretext that it does not meet the standards, it will be destroyed. Add to this the variety of soil in our country, thus causing crop specifications to vary. Non-brown desert soil is different from red soil.

Fertilizer Importation

Regarding the growing difficulties, Bibawi said: "Europe's conditions for accepting Egyptian exports include specifying certain types of fertilizer, both natural

and chemical, which do not affect man. These are specific types of chemical fertilizer that are not produced in Egypt. It is difficult to meet this requirement because the Egyptian farmer is accustomed to certain fertilizing methods, whether using natural fertilizer, of which little is used, or local chemical fertilizers. These are different from the fertilizers required by Europe. To meet this condition, the farmer has to import the required chemical fertilizer from Europe. This is very difficult, even impossible, at present."

Even Packaging

Egyptian exports to Europe will face problems even where packaging is concerned. If they manage to overcome the obstacles and barriers of standard specifications and of using "clean" fertilizer, packaging will be very important. As of next January, Europe will prevent plastic wrapping and the attaching of markers or stickers to fruits. It will also prevent the use of cardboard containers, permitting the use of only certain types of cardboard according to already established dimensions and specifications. These types are different from the cardboard currently used in Egypt to make cardboard containers.

The pragmatic and prompt solution proposed by Bibawi is to have the authorities concerned develop guidance programs for the Egyptian farmer so he will begin altering his agricultural method to make the crops meet the European market requirements.

'We Are Facing a Crisis'

Sayyid Hammad, chairman of the Onions and Garlic Producers Association, believes that exports are facing more than one crisis and problem and that they are being now confronted with new obstacles for which nobody has proposed a solution. If the standard specifications established by the European countries are one aspect of the export difficulties, then the difficulties of cultivating onions and garlic for export according to certain criteria is something that can be considered because "we have been exporting according to this system for sometime and we have enough experience to meet export needs."

Without Money

The chairman of the Onions and Garlic Producers Association asserted that the main problem facing exports is the demand by most European countries that the goods be left in trust, i.e., without any payment of money, any financial guarantees, or any bank credit. "They want us to deliver the goods and let them market them and then pay us as they sell them. This system is difficult and unreliable, and it entails numerous financial risks."

Metal Industry Developments Cited

93AF0349D Cairo AL-JUMHURIYAH in Arabic
16 Dec 92 p 5

[Article: "Metal Product Exports of 814.5 Million Pounds in One Year"]

[Text] The Metal Factories Holding Company exported 814.5 million pounds' worth in fiscal 1991-92, compared with exports of 82 million pounds in fiscal 1982-83. In the same period, production value has risen from 565.5 million pounds to 2.8 billion pounds.

'Adil al-Danaf, chairman of the executive board of the Metal Factories Holding Company, has said that 10 companies operating in the field of metal industries have been able to make big leaps in increasing their production and productivity, adding that the total sales value has risen from 652 million pounds in fiscal 1982-83 to 2.6 billion pounds in fiscal 1991-92.

Al-Danaf also said that the metal industries companies produced 1.7 million tons, valued at 2.8 billion pounds in the fiscal year that ended on 30 June 1992, realizing a growth rate of 1.8 percent over the preceding fiscal year.

He pointed out that the total sales value amounted to 2.6 billion pounds in fiscal 1991-92, compared to 2.496 billion pounds in 1990-91, achieving a growth rate of 10.4 percent. This means that a part of the stored stock was marketed.

Chemist 'Adil al-Danaf, the Metal Industries Holding Company chairman, asserted that there has been real development in exports. Despite the drop in international prices and stagnant markets, the companies were able to realize exports valued at \$245.7 million in fiscal 1991-92, compared with \$245.5 million in the preceding year.

He added that the increase in the export volume is a result of the good quality of the Egyptian product and of its adherence to international standards. This has contributed to better prices.

Productivity rose to 7.9 pounds per pound of wages in 1991-92, compared with seven pounds in fiscal 1990-91. The worker's average productivity rose to 45,229 pounds, compared with 41,324 pounds in fiscal 1990-91.

Three Major Projects With 2 Billion Pound Investment

With the onset of the third five-year plan, the implementation of three gigantic projects was launched on 3 July 1992 with investments exceeding 2 billion pounds. These projects will contribute to increasing the added value of Egyptian exports, will offer the domestic market alternatives to imports, and will export their surplus to the outside world.

Special Steel

The chairman of the Metal Industries Holding Company said that foremost among these projects is the special steel plant now that the Arab Special Steel Company has been set up with a joint Arab capital in accordance with investment law No. 230 of 1989. This plant will cost \$120 million and will have a production capacity of 150,000 tons per year.

Aluminum Sheet Rolling

The biggest project for aluminum-sheet rolling has also been started in Naj' Hammadi. Two contracts have been concluded to execute the civilian works and to supply,

manufacture, and install all of the metal structures for the buildings that house the aluminum-sheet rolling plant. The two contracts are valued at 100 million pounds. The project will cost 900 million pounds, and its annual production will amount to 60,000 tons valued at \$150 million. Fifty-thousand tons will be exported, and the rest will be designated for the domestic market.

The project will produce aluminum sheets valued at 525 million pounds [annually] at international prices. The products will replace imports, thus saving free exchange. Moreover, the major part of aluminum sheets produced will be exported, thus producing a higher added value to the company and to Egypt after an important phase of development of the aluminum industry.

1.5 Million Tons of Iron and Steel

New additions are being introduced to the Iron and Steel Company to raise its production capacity to 1.5 million tons, which represents the current production of the Iron and Steel Complex.

A project to produce aluminum foil is being implemented at the Egyptian Copper Company. It will have an annual production capacity of 4,000 [tons] of foil, which will meet the domestic market needs.

Manufacture of Reinforcement Iron Production Units

The Metal Industries Holding Company will produce major capital equipment for the first time. The company has concluded a contract with (EGTALC?) Company, an Egyptian contractor, to design and produce three rolling units for the production of reinforcement iron in Egypt.

What is new in this experiment is that it will be carried out with the know-how of an Egyptian firm, which will survey the domestic manufacturing capabilities to utilize them in this field. The Metal Industries Holding Company intends to produce 80 percent of the reinforcement iron rolling units locally. Part of the components of the 18-forge rolling unit at the Iron and Steel Company have already been produced. The first forge will also be installed at the National Metal Industries Company to increase its automatic metal-rolling capacity.

The new rolling units will be used to replace the old ones in the Egyptian Iron, Steel, and Copper Company and the National Metal Industries Company.

The activity of the firms belonging to the Metal Industries Holding Company does not stop at manufacturing the reinforcement iron rolling units but extends to whatever is new in order to produce whatever goods can be produced locally and to save the foreign exchange needed to purchase such goods from abroad. The company is doing this under the slogan of "made in Egypt by Egyptian hands."

These projects started production within the past 10 years:

- the project for the production of high pressure soft cast iron piping with diameters ranging from 100 to

1,000 millimeters at al-Nasr Smelting Company. The project has an annual production capacity of 47,000 tons annually, and it provides 620 new work opportunities.

- Al-Nasr Smelting Company project to produce elements needed for cast iron piping. This project has a capacity of 8,050 tons.
- The project for the production of ferrosilicon at the Egyptian Iron Casting company. It has a production capacity of 56,000 tons annually and provides 1,000 work opportunities.
- The project for electric casting and [word indistinct] casting at the Egyptian Metal Industries Company. It has a production capacity of 160,000 tons [word indistinct] and provides 400 work opportunities.
- The project for continuous metal casting and aluminum sheet rolling at the General Metals Company. It has a production capacity of 8,000 tons of aluminum sheets and provides 216 work opportunities.
- The project for the production of freezing units for

refrigerators at the General Metals Company. It has an annual production capacity of 895,000 units.

- The project for the production of soldered meshwork at the Delta Metal Casting Factories. It has a capacity of 22,000 tons annually.
- The Delta Metal Casting Company project for the production of furnaces for cement crushers. It has an annual capacity of 3,200 tons [words indistinct].
- The project for the continuous casting of square blocks at the Egyptian Copper Company. It has a capacity of 130,000 tons annually.
- The project to upgrade the Iron and Steel Company equipment to attain a production capacity of 1.2 million tons annually.

This is in addition to the project for the production of special steel at the al-Sadat Industrial City. This project has an annual production capacity of 150,000 tons to meet domestic and Arab needs.

NTIS

2

ATTN PROCESS 103

5285 PORT ROYAL RD
SPRINGFIELD VA

22161

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.



This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.